

12. Head 12 – National Education Commission

12.1 Scope of Audit

The audit of the Appropriation Account including the financial records, reconciliation statements, books, registers and other records of the National Education Commission for the year ended 31 December 2012 was carried out in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Chairman of the Commission on 07 May 2014. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the accounts and reconciliation statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

12.2 Responsibility of the Chief Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer is responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the Articles 148, 149, 150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other Statutory provisions and Public Finance and Administrative Regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

12.3 Audit Observation

According to the Financial Records and the Books for the year ended 31 December 2012, it was observed that except for the effects of the general observations appearing at (a) to (c) and other major audit findings appearing in paragraphs 12.4 to 12.8 herein, the Appropriation Account and the Reconciliation Statement of the National Education Commission had been prepared satisfactorily.

(a) Non-maintenance of Registers and Books

The Commission had not maintained the following registers and test checks revealed that certain other registers had not been maintained in the proper and updated manner.

Type of Register -----	Relevant Regulatory -----
Register of Fixed Assets	Treasury Circular No.842 of 19 November 1978
Register of Computer Accessories and Software	Treasury Circular No. IAI/2002/02 of 28 November 2002

(b) Budgetary Variance

- (i) The entire net provision of Rs.50,000 made for one Object had been saved.
- (ii) Excess provisions had been made for 05 Objects and as such the savings out of the net provision of Rs.14,115,000 were amounted to Rs.3,953,852 or 28 per cent. That ranged between 27 per cent to 82 per cent of the Objects.

(c) Provisions obtained from the Budgetary Support Services Contingent Liabilities

Despite the availability of Rs.4,003,852 exceeding 5 per cent of the net provisions of 09 Recurrent Objects, Supplementary Estimates provision amounting to Rs.281,000 had been obtained for the translation of an academic report of the year 2011.

12.4 Good Governance and Accountability

12.4.1 Annual Performance Report

Even though the Annual Performance Report that should have been prepared by the Commission in terms of the Public Finance Circular No. 402 of 12 September 2002 and No. 402(1) of 20 February 2004 referred to the letter No. PF/R/2/2/3/5(4) of 10 March 2010 of the Director General of Public Finance addressed to all Secretaries to Ministries, the Chief Secretaries of Provincial Councils, Heads of Departments, District Secretaries and Heads of Local Authorities should have been tabled in Parliament within 150 days

after the close of the financial year with a copy to the Auditor General, the Performance Report for the year under review had not been tabled in Parliament even by 30 June 2013.

12.5 Performance

The Commission had not been able to achieve any of the activities included in the Action Plan due to the non-receipt of aid amounting to Rs.7,306,940 approved by Education for a Knowledgeable Society Project and the delay in the appointment of the Commission.

12.6 Management Weaknesses

The following observations were made during the course of audit test checks.

- (a) A survey of the stocks of library books had not been conducted from the inception of the Commission.
- (b) Suitable Officers had not been attached for the work of the Data Bank established at a cost of Rs.938,600.
- (c) Costing and stock control procedures had not been followed in connection with the books printed by the Commission. A balance of 4,382 books printed during the years 2003 to 2009 remained with the Commission due to printing books without considering the requirements.

12.7 Human Resources Management

(a) Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2012 had been as follows.

Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
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(i) Senior Level	03	02	01
(ii) Tertiary Level	12	07	05
(iii) Secondary Level	10	05	05
(iv) Primary Level	12	12	-
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Total	<u>37</u>	<u>26</u>	<u>11</u>

The Commission had not taken action to fill 11 vacancies by the end of the year under review.

(b) **Irregular Release of Human Resources to Other Parties**

A Security Officer of the Commission had been released to the Ministry of Power and Energy and thereafter to the Ministry of Sports during the period September 2005 to December 2012. A sum of Rs.1,833,705 had been paid during that period. Due to such release, the services from a private security company had to be obtained by the Commission and a sum of Rs.547,500 had been paid in that connection in the year under review alone.

12.8 Internal Control

(a) **Internal Audit**

An internal audit had not been carried out since the inception of the Commission up to the end of the year under review.

(b) **Implementation of the Audit and Management Committee**

The Audit and Management Committee had not functioned from 30 September 2009 to 31 December 2012.